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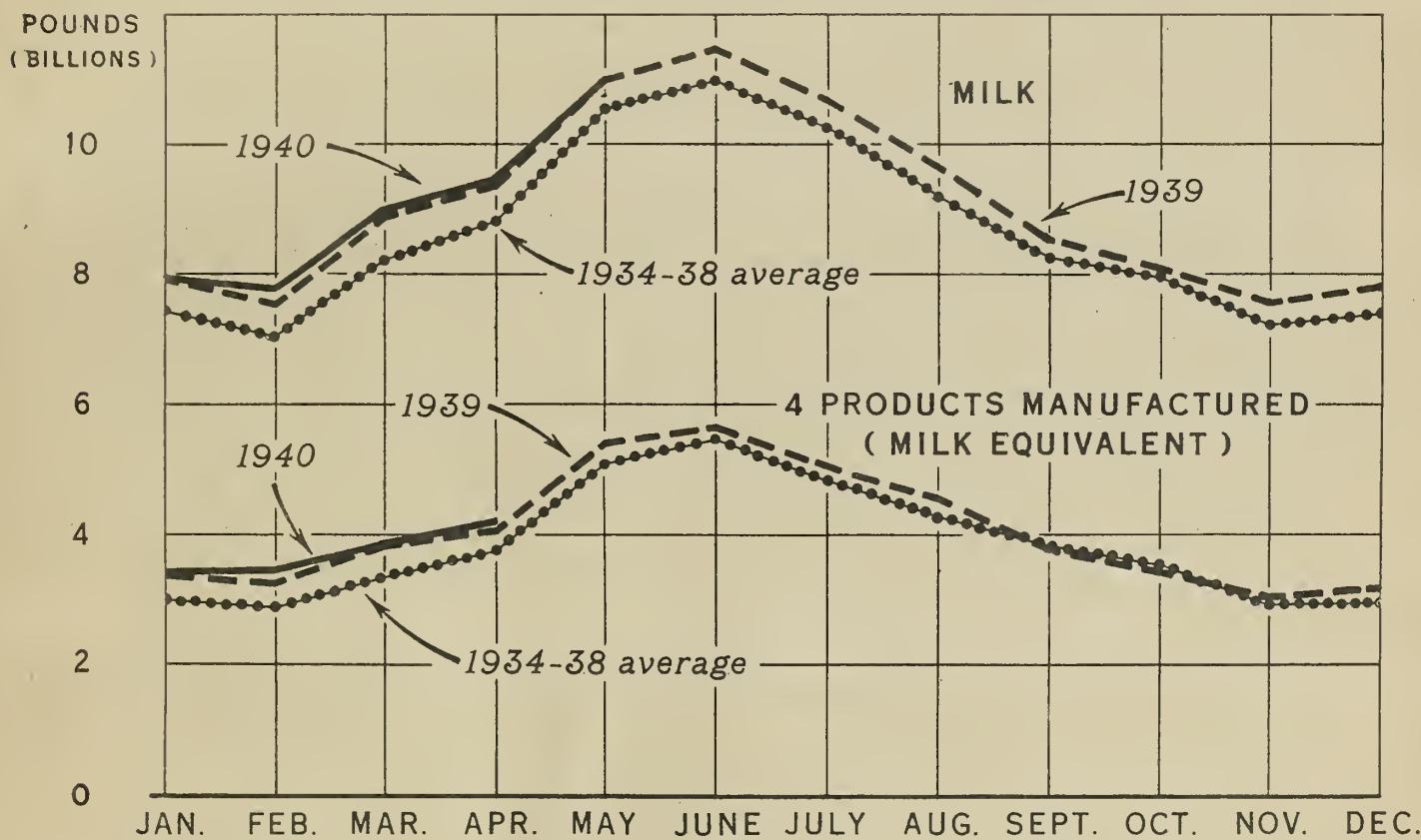
UNITED STATES DEPARTMENT OF AGRICULTURE U.S. Department of Agriculture
AGRICULTURAL MARKETING SERVICE

No. 2

June 15, 1940

DAIRY PRODUCTION

MILK PRODUCTION ON FARMS AND DAIRY PRODUCTS MANUFACTURED IN THE UNITED STATES



U. S. DEPARTMENT OF AGRICULTURE

NEG. 227 AGRICULTURAL MARKETING SERVICE

Seasonal changes in the volume of milk produced are commonly accompanied by somewhat similar changes in the volume of dairy products manufactured. For this reason, indications of current or prospective changes in milk production provide one of the first clues to the changes that will appear in the quantities of butter, cheese, and condensed and evaporated milk manufactured. These records are explained on page 8.

DAIRY PRODUCTION SUMMARY

Milk production on United States farms during May, estimated at slightly over 11 billion pounds by the Agricultural Marketing Service, was about the same as production in May a year ago, but production was increasing sharply at the month's end. Like milk production, May output of the principal manufactured dairy products was about the same as in May 1939, but was climbing rapidly in early June. Storage holdings, about normal on June 1, made about the usual seasonal increase. Prospects for pastures and feed supplies are better than in most recent years and point to a heavier production of milk in June. Prices of dairy products have not shown much change in recent weeks and are now substantially higher than in mid-June last year.

Off to a slow start early in May, milk production increased sharply the latter part of the month as warm weather developed the previously delayed pastures in northern dairy sections. For the 5-month period, January through May, production per capita appears to have been about the same as it was last year.

Daily milk production on June 1 was estimated to be about 2 percent higher than at the same time last year, and with pastures furnishing abundant feed for milk cows in the more important dairy sections production during June appears likely to exceed previous records for the month both in total pounds and in pounds per capita.

Prospects for pastures, crops and feed supplies are now favorable in most sections. There are many local areas in need of rain, but the poor spots are smaller than usual. On June 1 pastures in dairy States were not up to the pre-drought average, nor equal to the very early pastures of 1938, but they were better than in most recent years. There was probably further improvement in pastures as a result of the good rains during the first half of June. A good to large hay crop seems assured. Feed grain prospects are still uncertain but present conditions suggest a total tonnage only a little below the rather large crops of the last two seasons. Farm stocks of feed grains, including sealed corn, are large and no signs of feed shortages likely to affect milk production have appeared as yet.

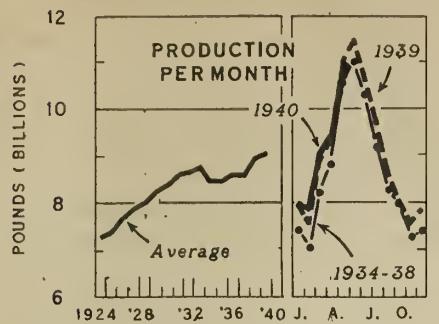
The production of manufactured dairy products in May appears to have been about the same as it was last year but April production now appears to have been above earlier estimates and about 5 percent larger than in April last year. Reports on weekly butter production show that in the middle of May production was about 8 percent lower than a year earlier, but that by the week ending June 1 it had risen to 4 percent above. A fairly heavy production of manufactured dairy products is to be expected for some weeks at least.

Stocks of principal dairy products on June 1 were much lower this year than last but, excluding holdings by Governmental agencies and considering commercial stocks only, holdings were equivalent to about 2.17 billion pounds of milk compared with 2.07 billion on June 1 last year and an average of 1.97 billion on the same date during the previous 5 years.

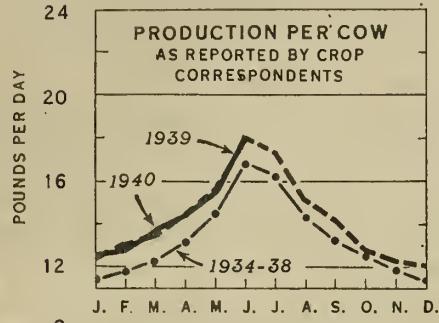
Prices of dairy products have not varied much in recent weeks, and most are now close to their 5-year averages for this season. The declines since the first of the year appear to have been only about the normal seasonal changes notwithstanding the increasingly favorable prospects for production.

DAIRY PRODUCTION: GRAPHIC SUMMARY FOR THE UNITED STATES

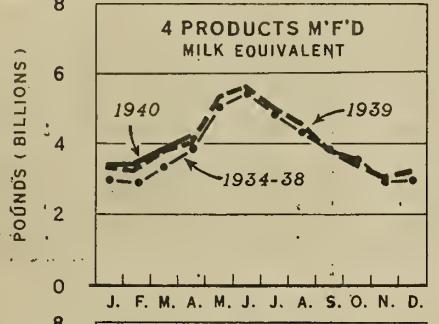
MILK PRODUCTION ON FARMS



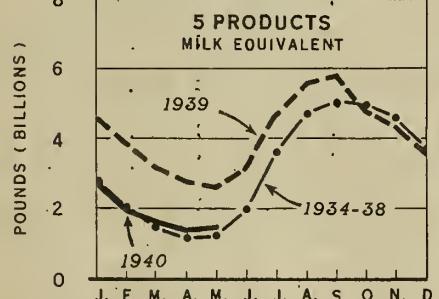
MILK PRODUCTION FACTORS



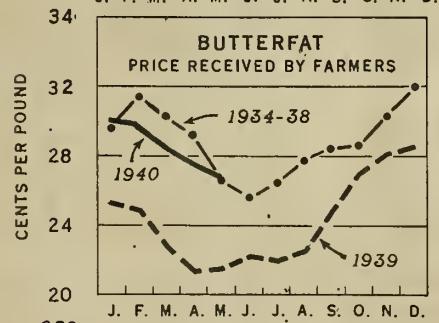
DAIRY PRODUCTS MANUFACTURED



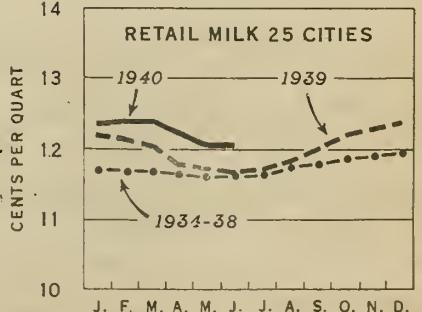
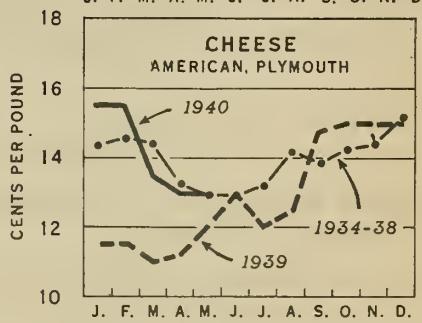
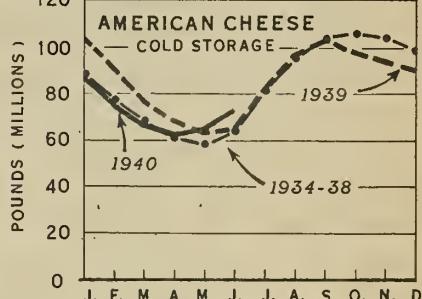
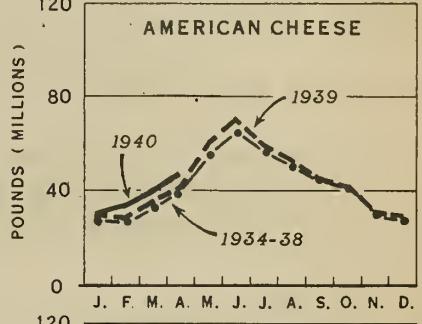
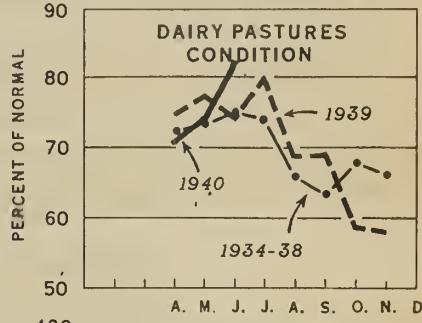
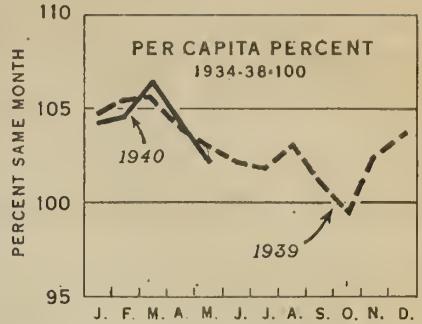
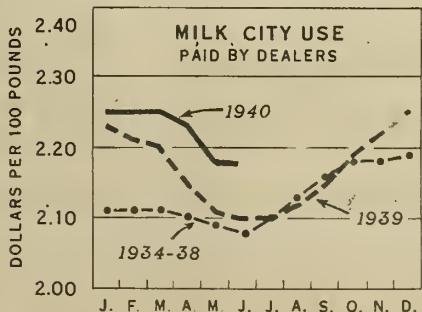
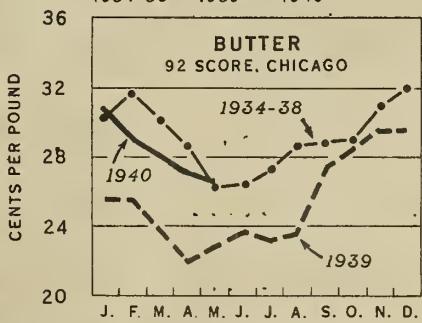
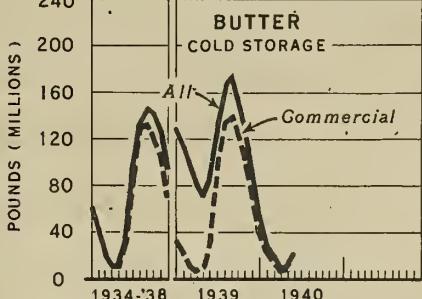
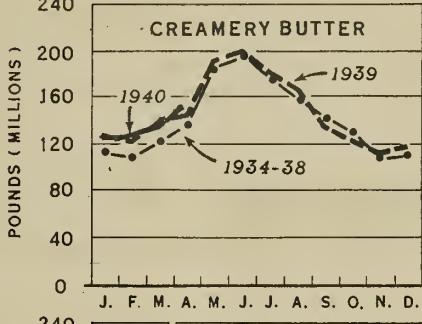
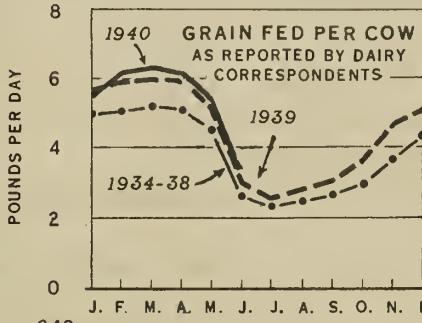
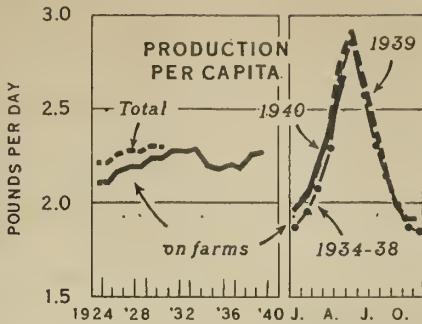
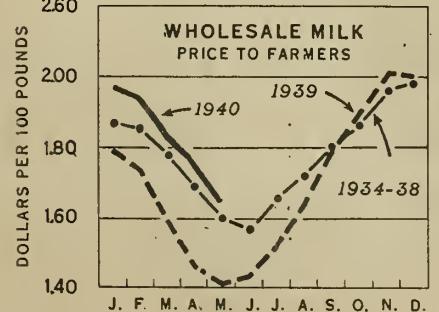
STOCKS



PRICES



PRICE OF MILK



UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

Dairy Production

June 17, 1940

SUMMARY OF DAIRY STATISTICS FOR THE UNITED STATES

			Average:	1940		
			1934-38:	1939	Total	Percent
			:	:	or avg.	of 1939
MILK PRODUCTION ON FARMS						
Total, per month.....	mil. lbs.	Mar.	: 8,221	: 8,869	: 9,006a/	: 101.5
		Apr.	: 8,809	: 9,347	: 9,447a/	: 101.1
		May	: 10,537	: 11,084	: 11,067a/	: 99.8
Per capita, daily average.....	lbs.	Apr.	: 2.290	: 2.379	: 2.386a/	: 100.3
		May	: 2.649	: 2.728	: 2.704a/	: 99.1
Per cow, per day.....	lbs.	Apr. 1	: 13.11	: 14.51	: 14.45	: 99.6
(As reported by crop correspondents)		May 1	: 14.45	: 15.63	: 15.42	: 98.7
		June 1	: 16.78	: 17.98	: 18.03	: 100.3
DAIRY PASTURES: Condition, % of normal	pct.	June 1	: 75.0	: 74.1	: 82.6	: 111.5
PRODUCTION OF MANUFACTURED DAIRY PRODUCTS						
Creamery butter, monthly.....	mil. lbs.	Apr.	: 135.7	: 143.6b/	: 147.7b/	: 102.9
		May	: 132.9	: 191.5a/	: 189.5a/d/	: 99.0
weekly.....	week ending	May 30	: ---	: ---	: ---	: 102.2
		June 6	: ---	: ---	: ---	: 104.3
American cheese.....	mil. lbs.	Apr.	: 38.4	: 41.4b/	: 47.6b/	: 115.0
		May	: 55.5	: 61.3a/	: 65.8a/d/	: 107.3
Evaporated milk, case.....	mil. lbs.	Mar.	: 149.3	: 183.4a/	: 203.6a/	: 111.0
		Apr.	: 178.5	: 199.2a/	: 225.1a/	: 113.0
4 products, milk equivalent.....	mil. lbs.	Mar.	: 3,340	: 3,806	: 3,855	: 101.3
(Creamery butter x 21, all cheese except skim x 10, canned cond. & evap. milk x 2.2)		Apr.	: 3,768	: 4,014	: 4,221	: 105.2
		May	: 5,092	: 5,400	: ---	: 100.6c/
STOCKS ON HAND			:	:	:	:
Butter in cold storage.....	mil. lbs.	May 1	: 9.8	: 70.9	: 9.5	: 13.4
(Including government holdings)		June 1	: 31.9	: 84.4	: 25.4a/	: 30.1
Commercial holdings, only.....		June 1	: 31.5	: 32.7	: 25.1a/	: 76.8
American cheese.....	mil. lbs.	May 1	: 58.2	: 62.9	: 65.2	: 103.7
(Cold storage holdings)		June 1	: 62.9	: 64.8	: 72.9a/	: 112.5
Evaporated milk, case.....	mil. lbs.	Apr. 1	: 91.6	: 109.9	: 173.4	: 157.8
(Manufacturers' stocks)		May 1	: 113.2	: 134.6	: 207.7	: 154.3
5 products, milk equivalent.....	mil. lbs.	Apr. 1	: 1,163	: 2,776	: 1,367	: 49.2
(Butter, all cheese, canned cond. & evap. milk plus cream in cold storage)		May 1	: 1,206	: 2,608	: 1,505	: 57.7
		June 1	: 1,982	: 3,158	: 2,179c/d/	: 69.0
PRICES			:	:	:	:
Butterfat, per pound.....	cts.	Apr. 15	: 29.2	: 21.4	: 27.5	: 128.5
(Prices received by farmers)		May 15	: 26.6	: 21.5	: 26.9	: 125.1
Butter, wholesale, per pound.....	cts.	May	: 26.3	: 22.8	: 26.4	: 115.8
(92 score, Chicago)		June	: 26.4	: 23.6	: 26.2e/	: 111.0
American cheese, wholesale, per pound....	cts.	May 15	: 12.95	: 12.00	: 13.00	: 108.3
(Twins, Plymouth, Wisconsin)		June 15	: 12.95	: 13.00	: 13.00d/	: 100.0
Milk, wholesale, per 100 pounds.....	dol.	Apr. 15	: 1.69	: 1.46	: 1.75a/	: 119.9
(All purposes, prices received by farmers)		May 15	: 1.60	: 1.42	: 1.65a/	: 116.2
Milk for city distribution, per 100 pounds	dol.	May	: 2.09	: 2.11	: 2.18	: 103.3
(Prices paid by dealers, 3.5% basis)		June	: 2.08	: 2.10	: 2.18	: 103.8
Milk, retail, delivered, per quart.....	cts.	May	: 11.61	: 11.72	: 12.04	: 102.7
(Average, 25 markets)		June	: 11.59	: 11.67	: 12.06a/	: 103.3

a/ Preliminary. b/ Preliminary revision. c/ Forecast or interpolation.

d/ Not available when accompanying chart was prepared. e/ Price June 15

Milk production per cow in herds kept by crop correspondents on June 1 averaged the highest in the 16 years of record although only slightly higher than on the corresponding date in the past two years. The increase during May was particularly rapid in Central and Southern States where cool weather and late frosts held back early pasture growth and prevented the usual seasonal increase in production during previous spring months. There was less than the usual percentage increase during May, both in the Pacific Northwest where pastures were early, and in some of the northern dairy States, including Minnesota, Wisconsin, Michigan, and New York, where pastures provided less feed than usual until late in the month. With pastures good in most of the important dairy States, and supplementary grain being fed freely where needed, a record high milk production per cow was reported in Pennsylvania, Illinois, Iowa, Washington, Oregon, California, and several States in the Rocky Mountain and Northern Plain areas.

When compared with the 10-year (1929-38) average for the same date, production per cow on June 1 continued below average in the South Central group of States, but in other regions it ranged from 3 to 15 percent above average. For the country as a whole, milk production per cow in herds kept by crop correspondents on June 1 averaged 18.03 pounds compared with 17.98 pounds on the same date a year ago and a 1929-38 average of 17.03 pounds. The proportion of milk cows reported in production on June 1 averaged slightly less than on that date in the past two years, but otherwise the highest in the 16-year period for which records are available.

MONTHLY MILK PRODUCTION ON FARMS, UNITED STATES
1934-38 Average, 1939, and 1940

	MONTHLY TOTAL			DAILY AVERAGE PER CAPITA		
	1934-38	1939	1940	1934-38	1939	1940
	Million pounds			Pounds		
January	7,422	7,935	7,961	1,870	1.957	1.949
February	7,044	7,534	7,791	1,950	2.056	2.038
March	8,221	8,869	9,006	2.069	2.185	2.202
April	8,809	9,347	9,447	2.290	2.379	2.386
May	10,537	11,084	11,067	2.649	2.728	2.704
June	10,996	11,464		2.855	2.914	
July	10,266	10,671		2.578	2.623	
August	9,194	9,672		2.307	2.376	
September	8,262	8,533		2.141	2.165	
October	7,942	8,077		1.990	1.981	
November	7,227	7,556		1.870	1.914	
December	7,383	7,816		1.847	1.915	

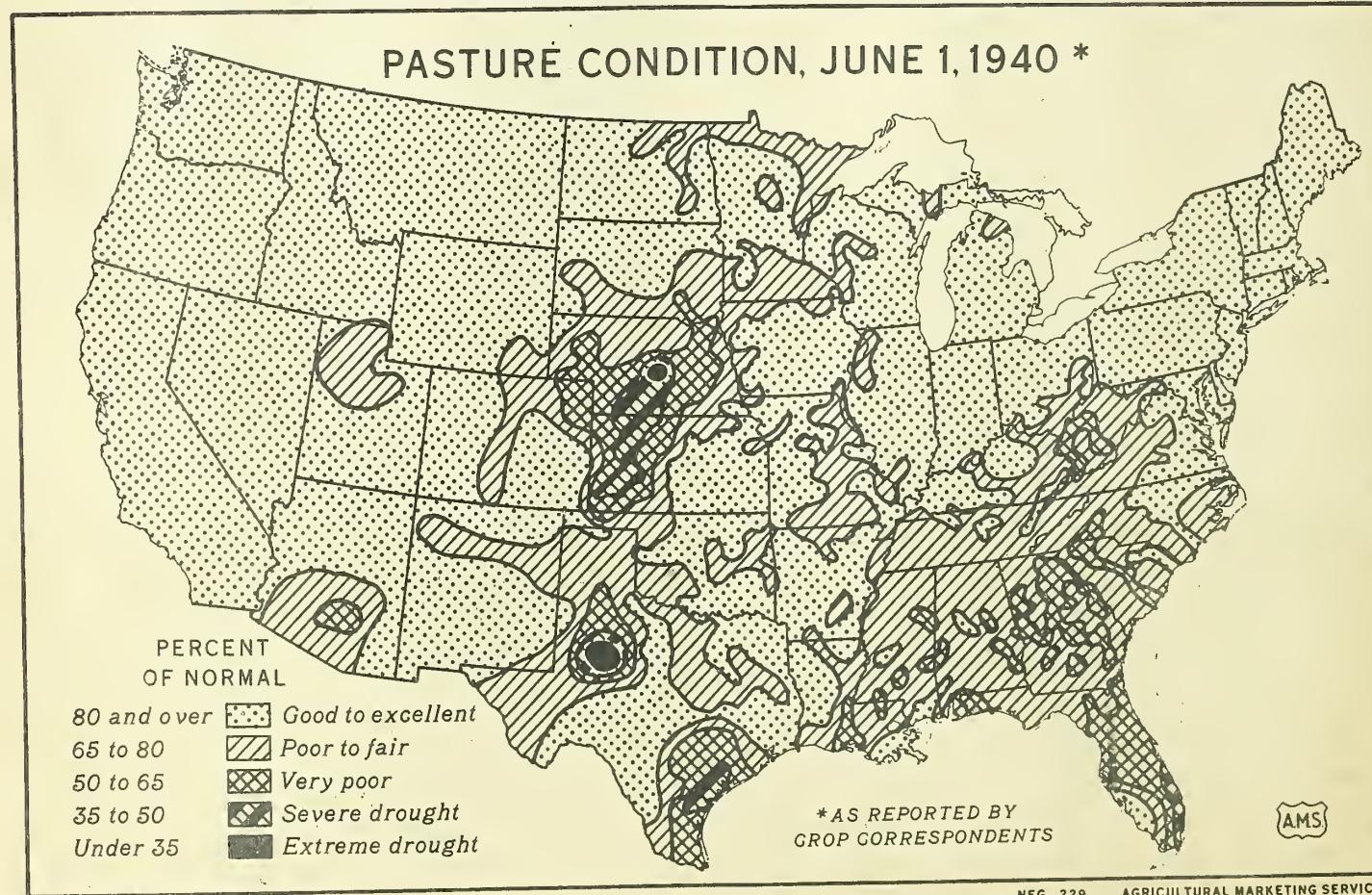
Feedstuff prices have declined sharply. They are now almost as low as a year ago and about 6 percent below the June average during the previous 5 years. With feed grain supplies ample in most sections, the value per 100 pounds of the grain and concentrate ration being fed by commercial dairymen is now probably 6 to 8 percent below the 5-year average and rather low compared with prices of dairy products. Recent price changes brought most feedstuff prices back to about their usual relation to each other, but in comparison with alternative feeds, cottonseed meal (quoted at \$25.25 per ton wholesale at Memphis) is still relatively high and linseed meal (grades locally in use quoted at \$19.50 per ton in Los Angeles and \$28.00 in New York) seems unusually cheap in some areas. Abnormal prices such as these tend to cause local adjustment in the amount and kind of concentrates fed.

DAIRY PASTURES: On June 1 grass in northern dairy States was growing rapidly after a late start, grazing conditions continued excellent in the West, and the condition of dairy pastures averaged well above the condition a year ago and the second highest for the date since 1933. Reports from dairy farmers showed adequate pastureage for current needs in all but a few areas, an accumulation of reserve feed in Western pastures, and good prospects ahead except in a few of the less important dairy sections. For the country as a whole the condition of dairy pastures averaged 83 percent of normal, compared with 74 a year ago, and June 1 averages of 78 percent in the recent 1929-38 period, which included several drought years, and 85 percent in the 1920-29 period prior to recent droughts.

On June 15 pasture prospects seem definitely better than at the beginning of the month. Rains during the first half of June have been well distributed. More rain is needed by pastures in Tennessee and in portions of Nebraska, Kentucky, Illinois, southern Iowa, and the Southeast but, considering all dairy areas, growing conditions now appear unusually favorable.

Dairy pastures: Condition as percent of "normal", June 1,
by major groups of States, 1920-40-10

Year	East		West		United States		
	North	South	North	South	Western	States	
	Atlantic	Central	Central	Atlantic	Central	United	
	Percent	Percent	Percent	Percent	Percent	Percent	
Av. 1920-29	85.7	84.4	82.9	82.6	86.3	87.4	84.7
Av. 1930-34	79.8	73.3	70.5	76.1	75.5	76.6	74.5
1935	72.7	82.7	74.0	82.8	80.4	84.4	78.8
1936	80.4	82.8	78.0	51.9	66.6	82.4	77.0
1937	87.4	84.6	74.9	81.6	71.9	75.5	79.8
1938	87.5	88.3	84.2	82.7	83.4	89.7	86.3
1939	77.6	77.6	67.5	75.1	77.4	71.2	74.1
1940	88.6	85.0	78.3	74.1	76.2	89.5	82.6



DAIRY PRODUCTION

State	Milk Produced per Milk Cow in Herd's Kept by Reporters 1/			Condition of Dairy Pastures 2/		
	June 1 Av. 1929-38	June 1 1939	June 1 1940 Pounds	June 1 Av. 1929-38	June 1 1939	June 1 1940 Percent
Me.	16.0	16.1	15.3	82.8	77	84
N.H.	17.0	15.0	17.1	84.0	83	85
Vt.	18.2	18.2	19.7	86.5	87	90
Mass.	19.6	20.3	20.8	83.2	74	87
R.I.	3/	3/	3/	82.6	74	86
Conn.	19.1	20.4	19.9	84.9	77	89
N.Y.	23.1	23.9	23.8	80.8	77	90
N.J.	21.7	21.8	21.4	80.2	78	88
Pa.	20.8	21.4	22.7	80.7	76	88
N. Atl.	20.99	21.79	22.06	81.7	77.6	88.6
Ohio	19.8	19.9	20.3	78.4	71	84
Ind.	17.8	18.3	18.5	79.7	76	89
Ill.	17.7	19.4	19.4	78.2	85	85
Mich.	22.2	22.7	22.8	81.5	82	88
Wis.	22.2	23.0	23.0	79.0	76	83
E. N. Cent.	20.48	21.12	21.15	79.2	77.6	85.0
Minn.	20.3	21.5	21.1	76.7	70	79
Iowa	18.2	19.3	20.3	80.1	68	84
Mo.	12.8	13.9	13.2	77.0	85	80
N. Dak.	16.1	18.5	20.1	60.5	54	85
S. Dak.	16.1	16.6	17.4	68.7	48	76
Nebr.	17.1	19.0	18.8	74.3	64	61
Kans.	16.9	17.6	17.7	72.0	67	76
W. N. Cent.	16.99	18.32	18.62	74.8	67.5	78.3
Del.	3/	3/	3/	79.7	71	86
Md.	17.1	17.9	18.7	78.1	79	86
Va.	13.7	12.6	14.0	80.0	70	79
W. Va.	14.2	13.7	13.7	78.0	63	69
N. C.	12.6	13.4	12.5	77.1	77	73
S. C.	10.8	12.5	11.7	70.1	80	69
Ga.	9.2	10.2	9.6	74.7	83	66
Fla.	3/	3/	3/	73.2	79	65
S. Atl.	12.41	12.96	13.18	76.9	75.1	74.1
Ky.	14.0	14.1	13.6	79.3	82	80
Tenn.	12.2	12.8	11.8	78.8	83	74
Ala.	3/	3/	3/	76.8	87	72
Miss.	8.9	8.6	7.8	77.9	85	71
Ark.	10.6	11.3	10.6	80.7	88	83
La.	3/	3/	3/	79.2	82	76
Okla.	13.1	14.5	13.2	71.4	70	79
Tex.	10.6	11.2	10.1	76.3	66	74
S. Cent.	11.24	11.92	11.18	76.9	77.4	76.2
Mont.	16.9	19.1	19.7	73.2	77	90
Idaho	20.6	22.2	22.6	85.2	80	93
Wyo.	15.5	18.2	18.5	80.0	66	87
Colo.	16.2	18.7	18.3	76.2	74	79
N. Mex.	3/	3/	3/	67.3	75	83
Ariz.	3/	3/	3/	81.9	78	73
Utah	3/	3/	3/	78.2	75	82
Nev.	3/	3/	3/	82.4	85	96
Wash.	22.1	23.0	22.9	82.4	72	95
Oreg.	20.4	20.9	22.8	85.5	67	92
Calif.	20.3	20.1	22.5	77.3	66	91
West.	18.53	20.54	21.28	79.4	71.2	89.5
U. S.	17.03	17.98	18.03	78.1	74.1	82.6

1/ Averages represent the reported daily milk production of herds kept by reporters divided by the total number of milk cows (in milk or dry) in these herds. Figures for New England States are based on combined returns from Crop and Special Dairy reporters and are weighted by counties. Figures for other States, regions, and U. S. are based on returns from Crop Reporters only.

2/ State averages are based on reports by crop correspondents. For regional and U. S. averages the States are combined in proportion to the importance of pastures to dairy production on June 1.

3/ State averages omitted because of instability, but reports are included in arriving at regional averages.

MONTHLY MILK PRODUCTION: Estimates of the quantity of milk produced on farms in the United States in each month permit comparison of production between various months of the year and between the same periods in different years. They indicate current tendencies toward increased or decreased production. They also show how milk production in past seasons has changed under the combined influences of droughts, feed shortages, changes in prices, changes in the number of heifers coming into production and other factors that have affected the number of milk cows and the production per cow. Monthly estimates of milk production therefore help to appraise the significance of current changes as affecting future production, and furnish a clue as to the probable effects of new developments as they appear.

These estimates are new. They are prepared chiefly by combining annual estimates of milk production, statistics on the number of milk cows and records of the production per cow that crop correspondents obtain on the first of each month. Small adjustments are made to allow for differences between crop correspondents and average farmers in the seasonal distribution of the milk produced, insofar as these differences can be measured. The estimates will be revised as new information becomes available and they will be gradually extended to show additional years and details by regions.

FOUR PRODUCTS MANUFACTURED, MILK EQUIVALENTS: These computed "milk equivalents" serve as a rough measure of the combined output of creamery butter, cheese, and condensed and evaporated milk (case) -- the principal commercially manufactured dairy products for which monthly estimates of production are available. For many purposes changes in this combined output are more significant than changes in the production of the several products individually, because the products tend to compete for the same milk supply.

The milk equivalent of the "four products" (see cover page chart) follows rather closely the trend of milk production. This is because the quantity of milk used for fluid consumption -- the other principal commercial outlet for milk -- is relatively stable, and the quantity of milk used on farms, except where milking herds are small, ordinarily changes much less than does production.

In computing the milk equivalents of these products, the monthly output of each, measured in pounds, is multiplied by round figures approximating the number of pounds of milk usually required to make a pound of the product. Thus the production of creamery butter is multiplied by 21, cheese production (exclusive of skim milk products such as full skim American and cottage cheese) by 10, and production of evaporated milk and condensed milk (exclusive of bulk products and of skim milk products, where known) by 2.2. The principal dairy products omitted because of a lack of statistics on current production are ice cream, bulk condensed and dry milk products, which together account for about 8 percent of the milk used for commercial manufacturing purposes, and farm butter which still takes nearly a fifth as much milk as is used in commercial manufacturing. To avoid duplication skim milk products are also omitted. Since the milk equivalents, as computed monthly, are based on constant conversion factors to measure the quantity of principal products manufactured, they are not quite the same by months or by years as estimates of the milk actually used. The latter allow for the wide seasonal and regional variations in the butterfat content of the milk, for duplications, losses in skinning and other complications.